



October 2013



Thinking Aloud

Insurance, anyone? –
Jay

Podium

Interview with **Mr. Ulhas Deshpande**, Chief Human Resources Officer at Bharti-Axa Life Insurance, India

We Recommend

Book: **Immunity to Change** by Robert Kegan and Lisa Laskow Lahey

Standing Ovation

Blind Welfare Council, Gujarat

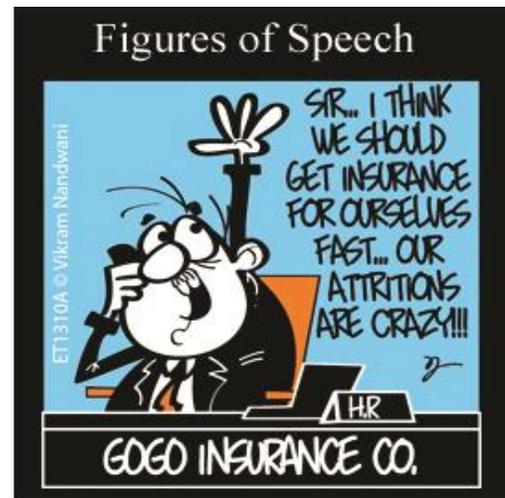
Dear Reader,

People Management has been one of the key pillars to the success of any business, in any industry. But with this comes the various challenges in not only attracting but retaining talent amid cut-throat competition and economic uncertainty. The intensity of this challenge is especially witnessed in the Insurance sector coupled with the effects of demographic, social, economic and market-specific factors. With mobility in labour, successful companies today will need to develop a strategic approach to manage Human Capital apart from anticipating and responding to evolving business needs and workforce expectations.

Insurance has always relied on good people. Looking ahead, demographic changes, evolving aspirations and the ever accelerating globalisation are set to transform the shape of the labour market making it even harder for Insurance companies to attract and retain talent. They will also need to identify and realise opportunities to differentiate benefits, career development prospects and other key aspects of their employment brand.

With this backdrop in mind, ET this month delves into the **Human Capital Challenges of the Insurance Sector**.

In **Thinking Aloud**, **Jay** throws some light on the challenges faced by the Indian Insurance industry, given the fact that every sector has their own set of unique HR challenges. He journeys through the progress made in the country's Insurance sector, with LIC maintaining its topmost position despite the advent of various private players. With reference to Human Resources challenges, an attractive compensation package for senior personnel was one of the USPs to lure talent from other sectors. In recent times, the need to develop a robust internal talent pipeline and the emphasis on developing the Human Capital of the business in all respects is vital in surviving both short-term



storms and in building a culture of excellence required in this industry.

Podium this month features **Mr. Ulhas Deshpande** who is currently the Chief Human Resources Officer at Bharti-Axa Life Insurance, India. Mr. Deshpande shares with us his views on the recent market developments in the Indian Insurance industry which has seen far reaching regulatory changes over the years. Bringing over 30 years of experience of working in various sectors, coupled with his entrepreneurial spirit, Mr. Deshpande opines that the biggest challenge in the Indian Insurance industry is that of attracting talent and retaining them. A gamut of social media options are also available today to manage Human Capital, since in today's knowledge society people are an organisation's key asset.

In **We Recommend**, Meeta Lee reviews the book **Immunity to Change** by Robert Kegan and Lisa Laskow Lahey. The underlying aspect of the book describes how to overcome immunity and unlock the potential in oneself. Overcoming immunity to change requires more than just skills and requires understanding oneself. The book takes us through three levels of mental complexity - the socialised mind, the self-authoring mind and the self-transforming mind. According to a research, highly effective leaders are at the self-transforming level. At the level of the socialised mind are the ones strongly influenced by what they believe others want and how they think others will be influenced, while those in the self-authoring level strongly believe that their decision is what is needed by others. The book is an insightful read bursting with examples which can help at both an individual and at an organisational level to overcome immunity to change.

Standing Ovation features the Blind Welfare Council, working in the backward districts of Gujarat and helping various disabled people by empowering them to be self-reliant and independent in the society. The Council was formed in the year 2000, to provide for a support system especially in terms of providing education to disabled children. Through its various programmes and facilities, the Council ensures that the disabled have the right access to equal opportunities leading to improved quality of life and full participation in society with respect and dignity.

In **Figures of Speech**, Vikram's HR Manager is in a fix!

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Thinking Aloud

Insurance, anyone? - Jay

On the face of it, HR challenges in all industries seem to be similar. After all, it is all about bringing the right talent on board, motivating them to deliver the best, rewarding them appropriately, and staying on course, isn't it?

Wrong. Every industry (and every firm in the industry) has certain unique challenges which provide a different

texture to the human capital management of the unit. The insurance sector in India too has its own special traits making it different from the general financial services sector. Let' s look at a few.

The Insurance sector in India is dominated by the mammoth Life Insurance Corporation (LIC). Created as a result of the nationalization of the sector in 1956, LIC has smartly kept its lead in the sector despite the advent of the private players post-liberalization. It is one of the rare instances where a public sector company has not just withstood but also continued to thrive in the face of private competition (thereby serving as a lesson in change management to public sector banks & the national telecom companies, BSNL & MTNL, and the national airlines companies). With over a lakh employees and spread throughout the country it has emerged as a trust-worthy brand, synonymous with the Life Insurance business in the country.

The private sector, on the other hand, entered with much fanfare and has made some headway (with a market share estimated to be about 29%). However, what has made headlines is the colour of their balance sheets, a very bold red. LIC dominates the sector with 71% share & only ICICI Prudential & SBI Life have some market share worthy of note. The rest (from a total of about 25 firms) are part of the long tail of the industry, quite frankly.

The stronger presence of private players is reportedly in the Non-Life Insurance sector, where they have notched up about 43% share from the clutches of the public sector players. The biggest company is still a public sector firm, New India Assurance with 14.5% market share, from amongst the 15 competing firms in the sector.

As regards the Human Resources challenges, there was a flood of new faces to the Insurance sector when the multi-national firms came in, joining hands with the Indian private promoters. Attractive compensation package for senior managers was one of the USPs to entice talent from other sectors, including from the general financial segments. This exodus to the new Promised Land, drove up salaries all over the Financial Services sector. Skill scarcity in certain key areas (for instance, actuarial work) also became acute. The initial wave brought public sector employees into the new firms and the later entrants moved to poach talent from each other and thereby kept the compensation packages high. Till reality struck.

Today, the sector is gasping for air. Some of the foreign players have moved out and others are reportedly scouting for buyers. The shake-out has brought fresh challenge to the human capital managers. From the days of cherry picking talent from other sectors, their task now is to keep the flock enthusiastic in times of uncertainty. As heads have rolled at the top of firms, the need to develop a robust internal talent pipeline has been realised. Sadly, at a time when this should become a serious focus for all firms, only a few are doing sufficient work, with many complaining of empty pockets for people development. Such firms will continue to face dire straits when growth returns in the economy.

The popular villain of the story – as told in the industry - is the government and the Regulator, the IRDA. As is usually the case, there is some truth to this lament but largely firms that point a finger to the external agency are deluding themselves. The enemy is hiding within. Globally, it has been seen that the Insurance industry is a very long-term business (sometimes seen as a heritage business), only feasible for promoters with deep pockets. Without a longitudinal vision, and consequent strategies for organization building, firms will suffer. The emphasis on developing the human capital of the business in all respects & in all functions (and in particular in the front-end sales & customer service function) is vital not only for weathering short-term storms but for building a culture of excellence that is genuinely required in the industry (as promised by the unending Television commercials of various firms).

Is there a market opportunity? Experts will tell you that it is huge – the under-served customers deserve a better

deal and will respond if wooed (& serviced) well. Soon some of the private players will come to the capital market with Initial Public Offerings (IPOs) after a policy induced 10 years wait. And, all segments (Life, Non- Life, Health, etc.) should recover from the current afflictions and resume their growth journey.

As regards the puzzle of sustainable growth, only time will tell whether the smart ones have learned valuable lessons & have addressed the deeper human capital challenges that have hampered them.

[back to top ^](#)



Podium

Mr. Ulhas Deshpande, Chief Human Resources Officer at Bharti-Axa Life Insurance, India



Currently the Chief Human Resources Officer at Bharti-Axa Life Insurance India, Mr. Ulhas Deshpande brings with him over 30 years of experience in the brick and mortar and service sector industry. He has extensively worked in sectors such as healthcare, consumer durables, banking and financial services and BPO. A management graduate from the prestigious Tata Institute of Social Sciences and a Certified Coach from ICF, Mr. Deshpande's core areas of expertise is business operations and human resources coupled with an entrepreneurial experience of setting up and running ventures in the BPO and microfinance space. Mr. Deshpande is also a Charter member of The

Indus Entrepreneur Mumbai Chapter (TIE) and has hands-on experience of leading and mentoring human resources, business teams and early stage entrepreneurs during the start-up and incubation stages and has also undertaken more than 100 hours of Executive Coaching. In his free time, Mr. Deshpande takes to trekking and is also a connoisseur of Indian classical music.

ET: Could you please throw some light on the recent market developments in the Indian Insurance industry?

UD: The sector has seen far reaching regulatory changes that have impacted the business in several ways in the last three years. The positive aspect is that these changes will work out to be beneficial for the customer and the sector over the long term. Currently the sector is going through a phase of adjusting and adapting to the new environment.

ET: The Insurance sector within the financial services industry is one which faces a major challenge in procuring and retaining Human Capital. What are the challenges in attracting and retaining talent in the Insurance sector in India?

UD: The biggest challenge of attracting talent in this sector has been the uncertainty and massive downsizing and restructuring that the sector went through in recent times. Moreover a short term approach to business has also resulted in extremely high attrition rates for the workforce and that has not earned a strong reputation for this sector

as a long term and stable employer. Also there is an excessive focus on hiring professionals with industry background only. That is causing a lot of churn and movement within the Industry and limiting the talent pool to a great extent.

ET: Social media has captured the imagination of all of us in recent times. Could you please share how, if at all, your firm is using Social Media to manage Human Capital?

UD: A lot of opportunities exist both externally and internally. Externally, we are using LinkedIn in a major way to attract talent. Internally, digital is driving all employee communications and programs through the Intranet. Though using social media for internal brand building is not something we have looked at as yet.

ET: As a professional who has worked in various sectors, what are the unique challenges that you find in the Insurance sector?

UD: Retention of employees is the biggest challenge in this sector. This is a long term business and vintage of employees is the key to long term sustainability and profitability. That is one big challenge which almost looks insurmountable at this point in time. We will need some innovative and out of the box thinking and management commitment and focus. The other challenge is to be able to attract talent from other successful sectors. That will go a long way in breaking certain paradigms that the industry has so conveniently got used to.

ET: Organisations today say that ‘ people are its greatest assets’ . How does an organization maximize the most from their Human Capital?

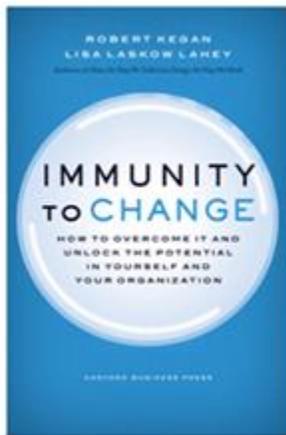
UD: I think organizations have to focus on employee productivity and competitiveness. All our programs and policies should be built around helping people become more productive and competitive. That is the key to organization and employee success and satisfaction.

[back to top ^](#)



We Recommend

**Immunity to Change - Robert Kegan
and Lisa Laskow Lahey**



When I told somebody that I was reading a book called “ Immunity to Change” by Robert Kegan and Lisa Laskow Lahey, I was asked if I was reading it to become immune to change! Well, the book definitely does not tell you how to become immune to change but it describes how to overcome immunity and unlock the potential in yourself and your organisation.

According to Kegan and Lahey, desire and motivation aren’ t enough to go about making a change, even if it’ s a matter of life or death. So then, what does one do to overcome this immunity? The key is to uproot this immunity. Everybody is convinced that improvement and change is dynamic and this challenge is often misunderstood as a need to cope or deal with the complexity. Coping and dealing with something are skills, and valuable skills at that. But to overcome immunity to change is more than just skills. It is about understanding yourself – which we all think we do – and by identifying a widespread misconception about the potential trajectory of mental development across one’ s lifespan. The X-ray technology is one such tool which explains the hidden dynamics of immunity to change. This tool talks about discovering the hidden competing commitments within us which will help us overcome the resistance to change.

This book also helps one discover the three levels of mental complexity which are the socialised mind, the self-authoring mind and the self-transforming mind and according to a research done by Eigel – University of Georgia, in 1998, the highly effective leaders are at the self-transforming level. People who are at the level of the socialised mind are strongly influenced by what they believe others want and how they think others will be influenced, whilst those in the self-authoring level strongly believe that their decision is what is needed by the others. They are likely to be the drivers. The self-authoring minds on the other hand have a filter and these people can stand back from the filter and not only look at it but through it.

This book is packed with powerful illustrations and examples which can help at an individual and organisational level. Many business books on change present simple solutions to problems with which managers have long wrestled. This book, on the other hand, offers a complex mental and philosophical methodology to identify the overwhelming barrier to individual and organizational change.

Kegan and Laskow, have been research and practice collaborators for twenty five years. Kegan is the William and Miriam Meehan Professor in Adult Learning and Professional Development at Harvard’ s University’ s Graduate School of Education. Lahey is the Associate Director of Harvard’ s Change Leadership Group and a founding principal of Minds at Work, a leadership learning professional services firm.

[back to top ^](#)



Standing Ovation

Blind Welfare Council



The Blind Welfare Council (BWC) is an organization established in the year 2000, and works in the backward parts of the Dahod-Panchmahal district of Gujarat. BWC provides for the needs of all categories of the disabled - visual, hearing, mentally retarded and all other associated disabilities, given the fact this district as a high disability rate due to the lack of nutritious food and illiteracy. The main aim of the Council is to help the disabled, so that they can become independent and live their lives with pride and self-respect and more importantly remain a part of the society. Formal and vocational training is imparted to the children which help them in self-employment, to be financially self-reliant and to earn a respectable position in the

society.

Programs/Activities /Facilities include:

- Lalit Bahuviklang Nivasi Pathshala – Residential school for the children with Multiple Disabilities
- Day care centre for the children with Mental Retardation and Multiple Disabilities
- Residential school for the children with hearing impairment
- Samarth Residential Centre
- Gail Snehalaya – hostel for disabled girls
- IEDSS - Integrated Education for the Disabled Children at Secondary Stage
- Industrial Training Centre for the disabled
- Vocational training Centre for the disabled
- Resource rooms (learning rooms) for all three categories – visual, hearing and intellectually disabled
- Early Intervention Centre and Sensory Training Unit
- Neelaj Kirit Desai Physiotherapy & Occupational Therapy Unit
- Music therapy Unit
- J & A Gunderwala Training College (Diploma in Special Education – Mental Retardation)
- College for B.Ed. SEDE (Mental Retardation and Visual impairment)
- Centre for Foundation course in disability, Foundation course on care giving, CRE (continuing rehabilitation education)
- CBR – Community Based Rehabilitation Programme
- Disabled advocacy centre

For more information, you can log on to www.bwcdahod.com or simply write to bwcdahod@gmail.com

For its cause, a standing ovation for the Blind Welfare Council!

[back to top ^](#)



Empowered Learning Systems Pvt. Ltd.

101, Lords Manor, 49, Sahaney Sujjan Park, Lullanagar, Pune – 411040, Maharashtra, India

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